

Questions and Answers on Implementing the Air and Radiation Portion of EPA's State Grant Workplan Template

Q. What is the purpose of the State Grant Workplan Template?

A. To assure the development and reporting of more consistent and meaningful performance information related to State grant assistance, the President's FY2007 budget request directed that EPA develop a template for use by States in submitting their grant work plans for categorical grants and PPGs starting in FY2007. The template directive requires that States provide a clear linkage of their grant-funded efforts to EPA's strategic long and short term goals and highlight relevant aspects of their annual performance and results. The template should facilitate meaningful comparison of performance across States and between a State's past and planned accomplishments.

Q. What is the origin of the State Grant Workplan Template?

A. The Administration's template directive emerged, in part, from OMB program assessments (i.e., PART reviews) of several of EPA's major grant programs. Those reviews raised questions about the degree to which States' work plans were aligned with EPA's mission, goals and objectives and the degree to which related results were being achieved with the funds. The President's FY 2007 budget request noted that while over half of EPA's budget provides grants to States to implement environmental programs, the Agency was still having difficulty in getting States to report consistent, meaningful, performance information. To address the issue, EPA was directed to develop the template.

Q. What air and radiation grant programs and agencies are affected by the template requirement?

A. The template will be used for the CAA §105 Continuing Air Program grants and the State Indoor Radon grants (SIRG). The template applies whether this assistance is delivered as a categorical grant or are included as part of a Performance Partnership Grant. For the §105 program, both States and direct-funded local agencies are affected by the template requirements. [This guidance largely addresses the implementation of the outdoor air portion of the template measures. As noted below, more detailed guidance on indoor radon programs is available separately.]

Q. How is EPA implementing the template directive?

A. The Agency has chosen to implement the template by focusing on annual or short-term measures of performance related to the respective grant programs. To minimize any additional workload on States, the measures selected for the template, to the fullest extent possible, are measures that are already in place or that are based on existing data systems and reporting requirements and that can be implemented in the FY 2007 grant cycle. EPA's goal has been to ensure that the Agency is responsive to the OMB directive, while affording States minimum disruption to the preparation of grant work plans.

Q. For the categorical and performance partnership grant programs affected, do the template requirements apply to existing grant agreements that will have FY 2007 grant funds added to them?

A. Yes. The President's FY 2007 budget request contains the OMB template directive and the template requirements apply to FY 2007 funds (i.e., funds appropriated to EPA on October 1, 2006 or later). If FY 2007 funds are placed on previously approved work plans (e.g., open multi-year grants), the template requirements would still apply.

Q. Does the template now supersede previous performance measures and reporting requirements? Does the template contain all the measures and commitments that recipients are responsible for?

A. No on both counts. The template measures are a subset of, and not a replacement for, existing measures and reporting requirements, which are still required from EPA's partners. In some cases the measures addressing outdoor air quality take existing information and combine and articulate it in new ways. In the case of the Indoor Radon program, EPA and States have already been working to develop a revised set of measures in a more strategic indoor radon template. States meeting those requirements will meet the requirements of the OMB template. The entire suite of FY 2007 measures is included in OAR's national program guidance now posted on the internet at: <http://www.epa.gov/ocfo/npmguidance>.

Q. If the Agency's approach is to continue to focus on existing measures, how is OAR being responsive to OMB's directive to get more meaningful performance information?

A. The nature of existing performance measures and other unique considerations dictates how each affected EPA program needs to respond. In implementing the template, the focus of OAR is on the use of outcome measures - environmentally-related ones, wherever possible (i.e., what is the impact of the State's funded activity expressed in environmental or public health terms).

In the case of outdoor air measures, OAR's template includes: (a) a subset of existing measures and commitments that are familiar to recipients and that are contained in OAR's national program guidance; and (b) short-term environmental performance measures that have been agreed to with OMB as a result of recent PART reviews of major OAR programs. We have also included a small number of output measures where these measures are related to supplying data that contribute to the articulation of the higher level outcome (e.g., reporting emissions and monitored air quality data, processing of NSR permits). For OAR, this includes measures identified during the recent OMB program assessment review (PART) and existing information contained in the Agency's annual commitment system (ACS).

In the case of discretionary indoor radon programs, four measures resulting from a separate EPA-State effort to make State radon program performance more transparent are being used. The measures are contained in a template or hierarchy of measures that range from program activities and outcomes to environmental or health outcomes. The measures reflect the variety of approaches that States have taken in developing and implementing their radon programs. States can report according to the measures that best reflect the strategic focus of their program (e.g., testing, mitigation). All the measures ultimately track to the goal of reduction in

lung cancer incidence and States can employ the hierarchy to refine their measurement approach over time. More information is included in separate guidance available from the Indoor Radon program.¹

Q. How is the recipient to use the OAR template? Does the template replace the recipient's grant work plan? Does the recipient fill out the template? Is the template to be used as a form for reporting progress information as well?

A. The template does not replace a recipient's work plan. The template simply provides a framework showing the relationship of EPA's strategic architecture to the selected set of performance measures or commitments that the Agency has identified as being applicable to the grant programs in question for the purpose of the OMB directive. The template is intended to help regions and recipients clarify and highlight the environmental outcomes that the workplans are intended to help achieve and to provide a more consistent basis for the comparison of results.

Presently the recipient would not fill out the template. The recipient would use the template as a key input in developing its work plan and identifying expected, relevant results. The template itself is not the form the recipient uses for the reporting of progress. EPA Regions and program offices will fill out the template working in concert with the recipient when progress is jointly reviewed. However, the template should be attached to the work plan by the recipient in its submission and be included by the EPA project officer in the official grant file. Existing grant requirements for reporting and assessing performance (e.g., those found in 40 CFR Parts 31 and 35) remain in place.

Q. O.K. If no new reporting or only minimal new reporting required what is actually expected of recipients? What do recipients actually do relative to the template measures?

A. If the template measure in question *does not* require a direct response from the recipient (i.e., the recipient is not directly responsible for supplying the progress information), then the recipient, in its work plan narrative, should identify the underlying or supporting activities, commitments and/or reporting for which it is responsible that contribute to, and enable EPA to complete, the template measure or commitment.

In those instances where a template measure *does* require direct action on the part of the recipient (e.g., the reporting of air quality data), this action should already have been identified as part of the annual commitments negotiated with the recipient as part of the normal work plan negotiations. The recipient would simply need to identify the relationship of the work plan actions to the listing in the template (e.g., continue to quality assure and report air quality data).

Q. How can this be accomplished without increased reporting on the part of the recipient?

A. This could be accomplished in a variety of ways using the recipient's existing work plan format. The recipient can draw the relationship in its work plan narrative or, if it spells out its grant funded activity in a table, by simply designating in the table the necessary activities,

¹ Additional information on implementation of the template specific to indoor radon programs will be available at the following site: <http://www.epa.gov/radon/sirgprogram.html>.

commitments, data reporting, etc., that correspond to the template measure(s) or that support or contribute to the development of the template measure(s). Or the recipient, at its discretion, could create a separate, brief narrative section or table showing the relationship of its grant-funded activity to the template measure(s). The Indoor Radon program, given its ongoing performance measure improvement work with its States, may have slightly different expectations and requirements. These are outlined in the separate indoor radon guidance.

Q. Many of the air and radiation template measures require EPA to first do the calculation and reporting of the results achieved. What is specifically expected of State and local grant recipients in these instances?

A. Some measures, particularly the new NAAQS PART measures, will require that EPA first take the lead in configuring, disaggregating and establishing baseline information for FY 2007. This includes population-weighted ozone and PM_{2.5} concentrations, population-weighted air quality index (AQI) values, number of ozone exceedance days, percentage reduction in cancer and non-cancer risk, and NSR permit timeliness. Establishment of baseline information and assessment of progress in these areas in FY 2007 will initially be assessed at the national level by EPA and not by State or local agencies through their work plan agreements.

However, as part of their grant agreements, it is essential that State and local agencies continue to report into the national reporting systems the underlying output/outcome data that provides the basis for the construction of the higher level environmental outcome measure contained in the template. For example, as part of their air grant agreements with EPA, each affected State/local agency will be expected to operate and maintain their ozone and PM_{2.5} ambient monitoring networks and submit quality-assured data into the Agency's Air Quality System pursuant to the 40 CFR 58 data reporting requirements.

Further, the existing suite of key performance expectations and commitments will need to be met to enable fulfillment and reporting on the template measures. For example, where applicable, State and local agencies will need to submit: approvable CAIR SIPs by 3/31/2007, or adopt the CAIR model trading program; approvable State implementation plans (SIPs) for attaining the 8-hour ozone standard; reasonable further progress SIPs; and maintenance SIPs for areas in attainment for ozone. State and local agencies are expected to continue development of approvable PM_{2.5} SIPs which are due to EPA in April 2008.

While this might entail some minimal effort on the part of the recipient it is important to note that this is being done to address the criticism, deserved or not, that grant work plans do not show a relationship to EPA's mission, goal and objectives and that there is no evidence of, or relation to, an environmental outcome from the work being funded. Accordingly, it is important then that the relationship of the work plan funded activity to the grant template grant measure(s) be readily transparent to an external reviewer such as OMB or GAO.

Q. The template format contains numerous data columns: national baseline, national target, State (recipient) baseline, measurement data, measurement period/date, source of data, and a comments section. Who fills out what? Are recipients expected to establish baselines and meet targets in the initial template?

A. For FY 2007, OAR as the national program manager will fill out the national baseline, national target (as applicable), the measurement period or date, and the source of data for the air

template measures. Depending upon the measure, OAR or the Regions, with input from State/local recipients, will fill out the State (recipient) baseline data.

Many of the measures (i.e., the PART measures) will require the establishment of an initial performance baseline using data collected *during* FY 2007. Baseline information could not be established any earlier than FY 2008. Accordingly, it would not be practical for recipients to be responsible for meeting a target in FY 2007. These measures are identified in the template.

Other template measures focus on obtaining or reporting essential information. At the national and regional levels this is characterized as a target (i.e., the number of States or recipients submitting air quality data) but at the recipient level this is expressed as an absolute (yes/no) or, to some degree, a qualitative value.

As noted earlier, EPA is still discussing the nature of the measures, baselines and performance levels for the various radon measures that can be used by the States.

Q. What is required of a recipient if a template measure does not apply to its air or radiation circumstances? For example, what if an area has never had an ozone problem?

A. Recipients must first clarify any questions on measure applicability with their Regional Office. EPA, in consultation with the recipient, is responsible for determining measure applicability. Recipients are not expected to report on template measures that do not apply to them.

Q. How are the PART measures in the template calculated?

A. EPA has included more detailed measure implementation plans (MIPs) in Appendix C of the FY 2007 National Program Guidance that explain how the Agency is developing the new PART measures. The MIPs were originally developed to support the Agency's response to the PART review. For outdoor air MIPs are included for the following measures of performance:

- percent improvement in population-weighted ambient ozone concentrations;
- percent improvement in population-weighted ambient PM_{2.5} concentrations;
- nationwide percent reduction in Air Quality Index (AQI) days over 100 weighted by population and AQI;
- percent reduction in cancer-causing toxic pollutant emissions (using 1993 as a base year);
- percent reduction in non-cancer-causing toxic pollutant emissions (using 1993 as a base year); and
- percent of New Source Review (NSR and PSD) permits issued within one year of complete application date.

A MIP for the "reduction of the number of days in the ozone season that the ozone standard is exceeded" is still being refined. Several other supporting air activity measures in the template don't require MIPs but rather the continuation of established protocols for collection, quality assurance and reporting of emission inventory and air quality data.

For indoor air (radon) the measure included is:

- number of lives saved annually as a result of existing homes mitigated for elevated radon levels and new homes built with radon-resistant new construction.

The radon MIP included in Appendix C only covers reporting on homes mitigated or new, resistant homes built and will rely upon data reported at the national level. The radon measure will require multiple sources of information both from States, industry and other sources on both homes and schools. This means that EPA will have the primary responsibility for providing performance information for this measure.

Q. Based on the air toxics measure implementation plans (MIPs), don't the two outdoor measures related to the reduction of cancer and non-cancer risk first require additional analytical effort on the part of EPA?

A. Yes. The MIPs note that EPA will calculate a toxicity-weighted hazardous air pollutant emissions inventory then progress to direct measurement and expression of exposure and risk as the national air toxics trends sites (NATTS) network expands and matures. The template should have clarified that these analyses will first be carried out nationally before such measures can uniformly be applied at the recipient level. The other two toxics measures or commitments - submission of integrated HAPs inventories and operation of NATT sites - do require a commitment on the part of State and local grant recipients.

Q. Isn't calculation of the outdoor air toxics measures complicated by the challenge that while integrated HAPs inventories should be submitted by June 1, 2007, they are not a regulatory requirement and that some States will need additional assistance from EPA before submitting them?

A. Yes. EPA is prepared to work with those States that need additional assistance in submitting this information. The vast majority of States have previously submitted such inventories. For the handful of States that have not or will not, EPA is prepared to calculate their emissions and their toxicity-weighted values from other sources of information.

Q. Why is a measure for NSR/PSD permitting included in the grants discussion? Isn't this activity funded by permit fees and covered separately like Title V operating permit fees?

A. A timeliness of New Source Review (NSR) and Prevention of Significant Deterioration (PSD) permitting measure was a related finding of the same NAAQS PART review that covered grant program performance. NSR and PSD are pre-construction permit programs and are separate from the Title V operating permit program that is supported by its own fees. Support for NSR/PSD programs may also be through dedicated fees rather than solely through general revenues and grant assistance. Most permitting authorities currently report on NSR/PSD permitting timeliness through the BACT/RACT/LAER Clearinghouse. However, the requirement for this reporting this information is typically included, or included by reference, in the overall grant-supported work plan agreement. Accordingly, the NSR/PSD permitting measure has been included in the template.

Q. Why isn't the importance of the maintenance of attainment of other NAAQS reflected in the template?

A. As noted, the template contains only a subset of the annual commitments and measures of progress. Separately, EPA regularly tracks and reports the status of maintenance areas for the various NAAQS, and the larger set of annual commitments does include a commitment for regions to work with States to report any violation of an existing NAAQS and take appropriate corrective action. The template's Air Quality Index (AQI) measure, as a composite measure, does provide some consideration of the status of other NAAQS. Also, under GPRA EPA is able to track and express the level of persons living in areas in attainment for the various NAAQS. Recipients are encouraged to do the same at their level and report that information in their annual performance evaluation should they find this helpful.

Q. When and how will the results for the template measures be made available?

A. Template performance measures will be included in the Agency's internal Annual Commitment System and specially coded to enable EPA to produce summary reports. As applicable, Regions will fill out State-by-State data in the Agency's Annual Commitment System. OAR or the Regions will fill out the 'final' State-by-State measurement data after the close of the fiscal year. Since air quality data, as one reportable item, usually requires additional time to compile, quality assure and analyze, it may take some time before final results based upon it are reported. Further, a significant amount of the information involved is already being captured as part of the normal reporting associated with the annual commitment system and dedicated national reporting systems. Further discussion among EPA national program and regional offices will be necessary before the details of a wider reporting of results to OMB and others is determined.

Q. Will EPA always have the responsibility for calculating and reporting on the short-term environmentally-related air PART measures? Will they always be reported only at the national level or will recipients assume some responsibility for reporting?

A. We don't have definitive answers yet. For the time being EPA must first establish a baseline for the bulk of the PART measure information. This is the first year for not only the performance measure template but more specifically for implementation of the OAR outdoor air PART measures (e.g., NAAQS, air toxics, etc.) and State indoor radon measures contained in the template. We will need at least a year of experience in dealing with these measures - in obtaining underlying data, in combining data sets, in calculating and configuring the measure results, in understanding and reporting the results, and in gauging the utility of the measure and how it is viewed and understood externally. OAR wants to work with its State and local partners to address these and other implementation issues such as data lag and the attribution of results to when investments were made.

Q. Will the template add additional reporting requirements for States and locals in the future?

A. OAR's intent is to work with its partners to refine and minimize reporting requirements and to develop the most insightful and informative measures of performance possible - those that focus both programmatic and environmental outcomes. We still need to talk with States, locals

and Tribes about appropriate 'ownership' of measures, and about the establishment of a joint process for continuous improvement of how we measure and express our performance results.

Q. Most of the discussion above centers on template questions associated with outdoor air. Is more detailed guidance that addresses grant template performance measures for the State Indoor Radon Grant (SIRG) program available?

A. Yes. The Office of Radiation and Indoor Air has developed draft guidance that includes a question and answer document and additional information covering a hierarchy of performance measures to which the various State programs can respond. The SIRG guidance, which is consistent with information included in this document, is undergoing final review by States and the EPA Regions and will be integrated with this guidance once final.

As noted earlier, the Office of Radiation and Indoor Air has already been working through a joint EPA-State workgroup to address the template requirements and to respond to the Indoor Radon PART review finding that the results from the States' SIRG programs needed to be more transparent. EPA's Radon Program has also developed a set of four measures for inclusion in the overall OAR template as well as additional information on how States can address these measures and report progress.

Q. Who do I contact about more information or questions on the grant workplan template?

A. For recipients, the first point of contact for questions on the template should be their EPA grant project officer. For questions or comments on specific air and radiation program content in the template contact the responsible national program office - for outdoor air contact Jerry Stubberfield at 919-541-0876; for the State indoor radon program contact John M. Hall at 202-343-9453. For general questions on the OMB directive and EPA template contact William Houck at 202-564-1349.